

City of Baltimore FY 2010 Furlough Plan

Frequently Asked Questions

1. What is a furlough?

Furlough is the placement of an employee in a temporary non-duty status for budget-required reasons.

2. What purpose does a furlough serve?

A furlough is a tool for reducing costs during difficult budget times while minimizing the strain of employee layoffs. A furlough imposes unpaid leave on employees, but, in doing so, it allows more employees to keep their jobs and their benefits.

For the City of Baltimore, the FY2010 Furlough Plan is just one component of a plan to close a projected \$60 million budget gap. This means that the revenue coming into the City to fund operations is projected to be at least \$60 million less than what the City had planned in the operating budget. A large part of this gap – \$35 million – is due to reductions in aid that the City receives from the State of Maryland due to the State's own budget problems. The rest of the gap is primarily the result of the impact that the economic recession is having on City revenue collections. In order to live within its means, the City must respond to the budget gap by reducing expenditures.

3. When will the FY2010 Furlough Plan be in effect and how many furlough days will employees have to take?

The City's Furlough Plan includes a combination of designated mandatory furlough days and additional furlough days to be implemented between October 5, 2009 and June 30, 2010. The mandatory furlough days are days on which the City will be officially closed except for 24/7 operations and trash and recycling collection. The mandatory furlough days are as follows:

Friday, October 9, 2009
Friday, November 27, 2009
Thursday, December 24, 2009
Friday, January 15, 2010
Friday, May 28, 2010

The number of additional furlough days required beyond these 5 designated mandatory furlough days depends on the employee's salary, according to the following structure:

- Employees with annual salaries less than \$50,000 must take **5 furlough days** in total, corresponding with the 5 designated mandatory furlough days;
- Employees with annual salaries between \$50,000 and \$100,000 must take 3 furlough days in addition to the 5 designated mandatory days, for a total of **8 furlough days**; and
- Employees with annual salaries greater than \$100,000 must take 5 furlough days in addition to the 5 designated mandatory days, for a total of **10 furlough days**.

One exception to this structure is for 10-month employees such as crossing guards, school nurses, school health aides, etc. Ten-month employees with annual salaries less than \$50,000 must take 4 furlough days in total; those with annual salaries between \$50,000 and \$100,000 must take 7 furlough days in total; and those with annual salaries greater than \$100,000 must take 9 furlough days in total. If the public schools are open for operation on the mandatory furlough days, then the respective agencies who employ these 10-month school-based employees will work to identify alternative furlough days for these employees, perhaps coinciding with other school closure days.

For part-time, contractual or temporary employees who regularly work less than 20 hours per week, the 5 designated mandatory furlough days constitutes their furlough requirement, regardless of how many hours they would normally work on that day. If a designated mandatory furlough day is not a normally scheduled workday for the employee, then they must take a furlough day on an alternate regularly scheduled workday. If they are required to work on a designated mandatory furlough day, due to trash and recycling collection, 24/7 operations, court operations, or an emergency situation, then they must take an alternate furlough day on a regularly scheduled workday.

Part-time, contractual and temporary employees who regularly work 20 or more hours per week are subject to the same number of furlough days as full-time permanent employees based on the equivalent annualized salary for their hourly rate. That is, those part-time, contractual or temporary employees who regularly work 20 or more hours per week and earn less than \$24 per hour (equivalent of \$50,000 per year) are subject to 5 furlough days; those earning between \$24 per hour and \$48 per hour (equivalent of between \$50,000 and \$100,000 per year) are subject to 8 furlough days; and those earning more than \$48 per hour (equivalent of more than \$100,000 per year) are subject to 10 furlough days.

Part-time, contractual and temporary employees who regularly work 20 or more hours per week will not work on the 5 designated mandatory furlough days and will not be paid for those days. For those earning less than \$24 per hour, these 5 designated mandatory days will constitute their furlough requirement. If one of the 5 designated mandatory furlough days is not normally a work day for any of these employees, then their supervisor must ensure that they take another normally scheduled work day off to constitute the furlough requirement. For those that earn more than \$24 per hour, their supervisors must ensure that they take

another 3-5 normally scheduled work days off, in addition to the 5 mandatory furlough days, to constitute the rest of their furlough requirement.

If a temporary, contractual or part-time employee is required to work on one of the 5 mandatory furlough days due to a 24/7 operation, trash or recycling collection, or court operations, then supervisors must ensure that the employee takes another regularly scheduled work day off with no pay to meet the mandatory furlough requirement.

If a mandatory furlough day falls on a day that a non-full time employee normally does not work, then that employee must take an alternative furlough day on a normally scheduled work day during the same pay period.

4. How will the furlough impact an employee's salary and paycheck?

For permanent full-time employees (including 10-month employees), instead of having an employee's pay reduced by the full amount of a furlough day(s) during the pay period when a furlough day(s) is taken, the City will mitigate the impact of the pay reduction by spreading the reduction across all remaining pay periods in the fiscal year. The pay reduction amount will be taken in equal amounts for 19 pay periods beginning on October 9, 2009 for those employees in Pay Group A and on October 16, 2009 for those employees in Pay Group B. Those employees who are paid weekly will have a reduction in their pay taken in equal amounts for 38 pay periods beginning October 9, 2009.

The reduction in pay will be taken as an "adjustment to gross pay" and will not reduce the employee's current salary or hourly rate. The amount of the adjustment to gross pay will be calculated by taking the percentage of total work days that the furlough days (either 5, 8, or 10 depending on salary level) represent, multiplying that percentage by the employee's annual salary as of October 2, 2009 to calculate the total annual furlough impact, and then dividing the total annual furlough impact by the number of pay periods remaining (19 for employees paid biweekly and 38 for employees paid weekly).

For employees other than permanent full-time employees (including contractual employees, temporary, and part-time, etc.), the pay associated with the furlough days will be deducted from the employee's paycheck as the furlough time is taken. This is because these employees do not necessarily earn a set salary during the year but rather are paid according to an hourly rate for time actually worked.

5. Will retirement benefits be impacted by the furlough?

The furlough will not affect retirement credits earned or average final compensation.

6. Will health benefits be impacted by the furlough?

No, the furlough plan will not impact an employee's health benefits. The City will continue to make the same premium contribution and an employee's deductions will be processed in the normal fashion for any pay period in which an employee has taken a furlough day.

7. How will the employee's time be coded in E-time for the furlough days?

Central Payroll is working with ADP, the City's payroll services provider, to establish two new pay codes for "furlough time" in the E-time system. All furlough leave taken for permanent full-time employees will be coded to the new "furlough-paid" pay code. This will ensure that permanent full-time employees receive pay for the furlough day, since the equivalent payroll deduction will be taken across all pay periods through the end of the fiscal year. The new code will help agencies and the Administration keep track of furlough days taken.

For non permanent full-time employees (contractual employees, temporary employees, permanent part-time employees, etc.), timekeepers will enter no hours worked in E-time for the employee's furlough days (including the designated mandatory days), thereby resulting in no pay for those days. There will be a separate "furlough-unpaid" code that timekeepers will mark for the furlough days taken by these non permanent full-time employees. Specific timekeeper procedures related to the furlough will be provided under separate cover by Central Payroll.

8. What if an employee is required to work on one of the mandatory furlough days?

If an employee is required to work on a mandatory furlough day, due to an emergency situation, trash and recycling collection, court operations, school-related functions, or a 24/7 operation, then the employee must take an alternative furlough day.

9. Will new employees who are hired after the start of the furlough plan also be subject to the furloughs?

Yes, all new employees hired after the implementation of the furlough plan will be subject to the furlough provisions, on a prorated basis depending on the employee's entry date.

10. Will part-time employees, contractual employees, temporary employees, and ten-month employees be subject to the furlough?

Yes, all part-time employees, contractual employees, temporary employees, and ten-month employees are subject to the furlough plan.

11. Will the furlough mean employees have to work overtime on the other days to make up for the lost time and catch up on the work?

An employee may not work in excess of the employee's normal work schedule on any day during the workweek when furlough time is taken. Therefore, an employee shall not earn overtime pay or compensatory time during a workweek in which furlough time is taken and may not request authorization to work such overtime.

12. With regard to question 11, how do you define “workweek?”

As communicated in question 11, employees cannot work overtime or comp time during the workweek in which a furlough day is taken. An employee's workweek represents the consecutive 7-day period beginning with the same weekday (not *date*, but *weekday*, as in Monday, Tuesday, Wednesday, etc.) on which the employee's pay period begins and ending with the 7th day after that. For example, for employees paid bi-weekly with a pay period starting on a Thursday and ending on a Wednesday, the pay period consists of 2 workweeks, with each workweek starting on Thursday and ending on the following Wednesday. In this example, if the employee's pay period runs from 10/8/09 through 10/21/09, and the employee is furloughed on 10/9/09, then the employee cannot work overtime during the 10/8/09 through 10/14/09 workweek.

It is important to keep in mind the spirit of the rule as well. The idea is not to use overtime or comp time to make up for work that didn't get done on the furlough day. So it is expected that if an employee would not normally work overtime, then the agency would not schedule overtime, even outside of the specific furlough workweek, specifically to handle the work that would otherwise have been done on the furlough day.

13. Will an employee's overtime pay rate be affected by the furlough?

No, overtime will be paid based on the normal earnings rate, not a reduced rate. As noted in question 11, employees may not work overtime hours during any workweek when a furlough day is taken.

14. If an employee is receiving out-of-title pay, is it the employee's regular rate of pay or the out-of-title rate of pay that determines how many furlough days they must take?

The amount of furlough time charged to an employee receiving out-of-title pay is based on the employee's regular salary for their regular position.

15. If an employee is promoted after the start of the furlough plan, will they be subject to additional furlough days?

Personnel actions such as promotions or reclassifications which occur after October 2, 2009 will not affect the number of furlough days an employee must take. Rather, the number of furlough days and the corresponding amount of payroll deduction taken will be based on the employee's salary as of October 2, 2009 and will not change over the course of the furlough period.

16. May an employee substitute paid leave time for a furlough day?

No, an employee may not substitute paid leave or compensatory time earned for a furlough day.

17. What approval is required before an employee takes a non-mandatory furlough day?

In order to maximize coverage and ensure uninterrupted service, each employee should obtain supervisory approval to take a non-mandatory furlough day off in the same manner that an employee would for any other absence.

18. Does furlough time have to be taken in full-day increments?

Yes, furlough time must be taken in full-day increments, *with the exception of part-time employees who work less than 20 hours per week.*

19. What happens if an employee leaves City service before June 30, 2010 without taking the appropriate number of furlough days?

If an employee leaves City service before June 30, 2010, no action is necessary to reimburse the employee for any amount of furlough deductions taken from their pay in excess of the number of furlough days taken as of the time they leave City service.

20. Is there a date by which employees should have furlough time scheduled?

The City strongly suggests that employees required to take non-mandatory furlough days schedule their furlough days no later than May 1, 2010, unless an earlier date is specified by an employee's agency. If employees have not scheduled furlough time by May 1, 2010, agencies will be directed to contact the affected employees and establish the dates on which the employee will take furlough time in order to ensure that all employees required to take furlough time do so on or before June 30, 2010.

21. Will employees on active duty military leave be required to participate in the furlough?

No, employees on active duty military leave will not participate in the furlough plan during the period they are scheduled for active duty, and if furlough deductions are taken from the employee's pay while they are on active duty, the City will refund to the employee the amount of the deduction taken. However, these employees will participate in the plan on a prorated basis if returning to full duty with the City before June 30, 2010. City agency HR managers should work closely with Central Payroll to identify employees who are deployed on military duty.

22. Will employees on Accident Leave ("A-time") participate in the furlough plan?

If a full-time permanent employee is on A-time during a designated mandatory furlough day, then their agency must ensure that the employee takes an alternative furlough day after their return to work. If the employee does not return to work in time to take the furlough time off before June 30, 2010, then the City will reimburse the employee for the number of furlough days not taken due to the A-time.

If a non full-time permanent employee is on A-time during a designated mandatory furlough day, the agency must pay the employee for that day as they otherwise would (assuming it is a regularly scheduled work day for the employee). That employee must take an alternative furlough day without pay after they return to work and before June 30, 2010.

23. Will employees on Family and Medical Leave or other types of extended leave of absence participate in the furlough plan?

Yes, employees on Family and Medical Leave or other types of extended leave of absence will participate in the furlough plan. Their time will be charged to the furlough pay code for those mandatory furlough days that coincide with their leave of absence. If they are required to take additional furlough days over and above the mandatory days, they can choose to take them during their leave of absence or upon their return as long as they take them prior to June 30, 2010.